

EXHIBIT 1

IN THE DISTRICT COURT OF GUAM

GUAM WATERWORKS AUTHORITY,)	
)	Video-recorded
Plaintiff,)	deposition of:
)	
vs.)	JOHN BRADLEY SARGENT
)	
BADGER METER, INC., et al.,)	
)	Civil Action No.
Defendants.)	20-cv-00032
)	

December 13, 2022 * 9:08 a.m.

Location: Office of Foley & Lardner
95 South State Street, Suite 2500
Salt Lake City, Utah 84111

Reporter: Kelly Fine-Jensen, RPR

Videographer: Gavin Bohne, CLVS

REPORTER'S CERTIFICATE

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

I, Kelly Fine-Jensen, Registered
Professional Reporter, do hereby certify:


That prior to being examined, the witness,
JOHN BRADLEY SARGENT, was by me duly sworn to tell
the truth, the whole truth, and nothing but the
truth;

That said deposition was taken down by me
in stenotype on December 13, 2022, at the place
therein named, and was thereafter transcribed and
that a true and correct transcription of said
testimony is set forth in the preceding pages.

A request having been made to review the
transcript, a reading copy was sent to Ms. Miller for
the witness to read and sign and then return for
filing with Mr. Dowd.

I further certify that I am not kin or
otherwise associated with any of the parties to said
cause of action and that I am not interested in the
outcome thereof.

WITNESS MY HAND this 28th day of December,
2022.



Kelly Fine-Jensen, RPR

1 Q. Okay. So, forensic accounting for
2 22 years?

3 A. Yes.

4 Q. Twenty to twenty-five depositions?

5 A. Approximately, yes.

6 Q. You agree that forensic accounting
7 includes work done in litigation and pre-litigation
8 settings?

9 A. Yes.

10 Q. You agree that audited financial
11 statements rely on client data?

12 A. Absolutely.

13 Q. Rely on information provided by the
14 client?

15 A. Yes.

16 Q. So, you were not hired to create an
17 alternate damage model in this case; correct?

18 A. That is correct.

19 Q. You were basically hired by Badger Meter,
20 Inc. to review whatever damage model came down the
21 line and try to analyze it?

22 A. That's correct.

23 Q. Okay. Critique it?

24 A. If necessary, yes.

25 Q. All right. Criticize it?

1 Q. Okay.

2 A. No.

3 Q. We'll -- we'll -- I'm going to go through
4 your report with you.

5 A. Very good.

6 Q. Did you do any calculations to determine
7 that if Mr. Stanger had used the information from the
8 audited financial statements, whether his damage
9 model would have been higher or lower, if he had used
10 the figures from there?

11 A. I did not -- as you asked me very early on
12 in my deposition, I did not provide an alternate
13 damage calculation in this case.

14 Q. Okay. All right. With regard to the
15 audited financial statements and your criticisms --
16 you were in the deposition of Mr. Stanger yesterday;
17 correct?

18 A. That's correct.

19 Q. And do you believe that those auditors
20 spent as much time on the billing data as
21 Mr. Stanger?

22 A. I'm sorry. When you say, "as much time on
23 the billing data," for this matter?

24 Q. Yes. On the consumption data for the LP
25 meters.

1 question. Move to strike as non-responsive.

2 Q. (By Mr. Dowd) The question is, you've
3 testified that the basis of your opinion that you
4 relied on were the audited financial statements from
5 Guam Waterworks Authority and Deloitte from 2011
6 through 2020; correct?

7 A. They are part of the basis, yes. The
8 factual basis, yes.

9 Q. And in those, there is no mention of the
10 consumption data related to the LP meter; correct?

11 A. Other than --

12 Q. Specifically?

13 A. Other than the management's discussion and
14 analysis, no.

15 Q. Is there any specific mention by the
16 auditors in the audited financial statements of the
17 LP meters' consumption data?

18 A. Not that I'm aware. No.

19 Q. Is there any mention in the 2011 to 2020
20 audited financial statements, any reference, to the
21 billing data that is kept by Guam Waterworks
22 Authority in the ordinary course of its business
23 relative to the LP meters?

24 A. Not that I'm aware of. No.

25 Q. Okay. Do you agree that the auditors from

1 2011 -- let's take it to 2012, with the first
2 installation of the LP meters, through 2020 were not
3 attempting to identify lost revenue from the failing
4 LP meters?

5 A. Do I agree with that?

6 Q. Yes.

7 A. Oh, I don't believe that was part of their
8 audit at all.

9 Q. Okay. Did any of the testimony that
10 Mr. Stanger gave yesterday cause you to question any
11 of the bases of any of your opinions?

12 A. No.

13 Could we take a brief break, please?

14 Q. Sure. Absolutely. Sure.

15 A. Just five minutes. I don't even need that
16 much.

17 Q. That's fine.

18 A. Thank you.

19 THE VIDEOGRAPHER: Going off the record.

20 The time is 10:13.

21 (Break take at 10:13 to 10:32 a.m.)

22 THE VIDEOGRAPHER: Returning on the
23 record.

24 The time is 10:32.

25 Q. (By Mr. Dowd) Sir, we were talking about

1 consumption.

2 Is that your understanding, that if -- if
3 the test meter -- bench were to put 1,000 gallons
4 through, and the meter said it showed 600, but they
5 know they put 1,000 through, that that's 60 percent
6 accuracy, and 400 gallons were missed?

7 A. That's my assumption, yes.

8 Q. Okay. And that the revenue that would
9 have been generated from that 400 gallons was lost to
10 the billing system on the functioning of the meter
11 prior to testing?

12 A. As an assumption, yes.

13 Q. Okay. No reason to disagree with the sort
14 of math or logic of that?

15 A. None.

16 Q. So, on page 18 of your report, under the
17 first full paragraph you state: "The Stanger Report
18 presumed" -- in italics -- "that malfunctioning
19 meters would read at a lower level than accurate
20 meters."

21 And you still stand by that statement as a
22 criticism?

23 A. Yes.

24 Q. Okay. Explain that to me. How would a
25 malfunctioning, inaccurate meter not read at a lower